



DRAGON GROUP INTERNATIONAL LIMITED
(Company Registration No. 199306761C)
(Incorporated in the Republic of Singapore)

**ASSOCIATE'S ENTRY INTO NON-BINDING MEMORANDUM OF UNDERSTANDING
FOR A JOINT VENTURE TO DEVELOP A LITHIUM ION BATTERY MANUFACTURING FACILITY
AND BATTERY ENGINEERING SERVICE AGREEMENT WITH MEDICOX CO. LTD.**

Pursuant to Rule 703(4) and Appendix 7.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited, Mainboard Rules (the "**SGX-ST**"), the Board of Directors (the "**Board**") of Dragon Group International Limited ("**Company**", and together with its subsidiaries, collectively the "**Group**") wishes to announce that an associate of the Company, EoCell, Inc ("**EoCell**"), had on 6 December 2023, entered into a non-binding Memorandum of Understanding ("**MOU**") and an Engineering Services Agreement ("**ESA**") (collectively, the "**Proposed Business Venture**") with Medicox Co. Ltd., a Korean corporation ("**Medicox**") (each a "**Party**", and collectively, "**Parties**").

Under the non-binding MOU and the ESA, the Parties shall only be obliged to proceed with the establishment of the Joint Venture Company ("**JV Co**") upon the execution and delivery of mutually definitive agreements, which includes: (1) Joint Venture Agreement, and (2) Licensing Agreement between EoCell and the JV Co for the Licensed Technology (collectively, the "**Definitive Agreements**").

MATERIAL DISCLOSURE ABOUT THE NON-BINDING MOU

The purpose of the non-binding MOU is for EoCell and Medicox to establish a JV Co as either a joint-stock or limited liability company to be incorporated in Korea, with the shareholding to be split between EoCell and its affiliate nominee (collectively, "**EC-AN**") holding 55%, and Medicox holding 45%. It is anticipated that the JV Co will initially be formed with USD800,000 of capital, with EC-AN contributing USD440,000 (55%) and Medicox USD360,000 (45%). Thereafter Medicox shall contribute up to USD28.0 million from time to time to fund the JV Co's operations, default of which will amount to a forfeiture of Medicox's ownership interest in the JV Co.

The purpose of the JV Co is to:

- (a) conduct research and development;
- (b) perform manufacturing services in the lithium-ion battery space;
- (c) secure funding to set up a manufacturing facility to include lab equipment for research and development as well as a pilot line for the development of prismatic or pouch cell pilot lines; and
- (d) acquire a range of capabilities related to lithium-ion battery cell manufacturing, including, cell design and licensed manufacturing process technology.

The Board of the JV Co ("**JV Board**") shall be initially constituted by four (4) Directors, with EC-AN appointing two (2) Directors, and Medicox appointing the other two (2) Directors. The Parties shall have the right to remove and appoint replacements from time to time. The JV Board shall be responsible for appointing key management personnel to manage day-to-day operations. The decisions made by the JV Board shall only be approved upon receiving approval from majority of the JV Board, with at least one (1) Director from EC and one (1) Director from Medicox. All shareholders' resolutions/decisions shall require a super majority vote of 75% to pass.

The non-binding MOU is governed under Singapore law, and any disputes are to be resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Singapore International Arbitration Centre Arbitration Rules.

MATERIAL DISCLOSURE ABOUT THE ESA

The purpose of the ESA is for EoCell to provide certain battery engineering services for research and development related to lithium-ion batteries, which includes, but not limited to, skilled personnel, while Medicox shall be responsible for providing necessary staff to support EoCell's personnel. Furthermore, EoCell is to source for raw materials, components, supplies and incur fees, including, outside testing fees. These battery engineering services are to be conducted at such EoCell's facilities that are deemed necessary or appropriate for the purpose of the ESA. For the engineering services provided under the ESA, within five (5) working days of the date of the ESA, Medicox shall remunerate EoCell for USD1.0 million.

Under the ESA, any Intellectual Property Rights ("IP") are to be retained by the respective Parties, and any derivative works developed by the respective Parties, regardless of use of either Parties' IP, shall remain with the respective Parties.

The effective term of the ESA shall commence as of 06 December 2023, and shall terminate as at whichever is earlier; (1) at the time when the Parties have entered into the Definitive Agreements for the JV Co, (2) the termination of negotiations related to the JV Co, or (3) as at 90 days from the date of the ESA. Medicox shall have the right to terminate this Agreement in the following events, including, but not limited to, (1) where EoCell becomes insolvent or generally unable to pay, or fails to pay debts that have become due, or (2) when EoCell files or has been filed against it, a petition for voluntary or involuntary liquidation.

Upon termination of the ESA, generally, each Party shall retain all rights, titles and interest in their respective IP.

INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Business Venture, other than through their respective shareholdings in the Company, if any.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Business Venture, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Director has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

STATEMENT OF CAUTION

SHAREHOLDERS OF THE COMPANY AND PROSPECTIVE INVESTORS SHOULD NOTE THAT THE PROPOSED BUSINESS VENTURE IS IN THE PRELIMINARY STAGES AND THERE IS NO CERTAINTY OR ASSURANCE AS AT THE DATE OF THIS ANNOUNCEMENT THAT THE PROPOSED BUSINESS VENTURE WILL PROCEED.

THE COMPANY WILL MAKE SUCH ANNOUNCEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO UPDATE ITS SHAREHOLDERS AND PROSPECTIVE INVESTORS AS AND WHEN THERE ARE ANY MATERIAL UPDATES IN RELATION TO THE PROPOSED BUSINESS VENTURE. SHAREHOLDERS OF THE COMPANY AND PROSPECTIVE INVESTORS ARE ADVISED TO READ THIS ANNOUNCEMENT AND ANY FURTHER ANNOUNCEMENTS MADE BY THE COMPANY CAREFULLY.

SHAREHOLDERS OF THE COMPANY AND PROSPECTIVE INVESTORS ARE ADVISED TO REFRAIN FROM TAKING ANY ACTION WITH RESPECT TO THEIR SECURITIES IN THE COMPANY WHICH MAY BE PREJUDICIAL TO THEIR INTERESTS, AND TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. SHAREHOLDERS OF THE COMPANY AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS OR OTHER PROFESSIONAL ADVISERS IF THEY HAVE ANY DOUBT ABOUT THE ACTIONS THEY SHOULD TAKE.

By Order of the Board
Dragon Group International Limited

Chong Man Sui
Acting Chairman
11 December 2023